



Reprinted
February 24, 2007

HOUSE BILL No. 1351

DIGEST OF HB 1351 (Updated February 23, 2007 3:02 pm - DI 101)

Citations Affected: IC 5-1; IC 5-13; IC 5-20; IC 6-2.5; IC 32-34; IC 36-2; IC 36-7.

Synopsis: Affordable housing and community development fund. Allows a county in which at least one unit in the county has established an affordable housing fund to adopt an ordinance authorizing the county recorder to charge a fee of: (1) \$5 for the first page; and (2) \$1 for each additional page; of each document recorded by the county recorder. Provides that: (1) 60% of the fees collected shall be distributed to those units with an affordable housing fund for deposit in those funds; and (2) 40% of the fees shall be deposited in the affordable housing and community development fund. Prescribes a formula for apportioning the fees collected among the units with affordable housing funds. Allows a county containing a consolidated city to adopt an ordinance authorizing the county recorder to charge a fee of: (1) \$5 for the first page; and (2) \$1 for each additional page; of each document recorded by the county recorder. Provides that: (1) 60% of the fees collected shall be deposited in the county's housing trust fund; and (2) 40% of the fees shall be deposited in the affordable housing and community development fund. Provides that, beginning July 1, 2007, on July 1 of each year, the interest balance in the property
(Continued next page)

Effective: July 1, 2007.

Bardon

January 16, 2007, read first time and referred to Committee on Ways and Means.
January 23, 2007, reassigned to Committee on Financial Institutions.
February 13, 2007, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.
February 20, 2007, amended, reported — Do Pass.
February 23, 2007, read second time, amended, ordered engrossed.

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custody fund and the interest balance in the abandoned property fund shall be transferred to the affordable housing and community development fund. (Current law provides that on July 1 of each year, the interest balance in the property custody fund and the interest balance in the abandoned property fund shall be transferred to the state general fund.) Provides that a county fiscal body may adopt an ordinance to recover as a cost of issuance .5% on any obligations issued by a political subdivision in the county. In a county that does not contain a consolidated city, requires 60% of the amounts recovered to be allocated among the units in the county that have established an affordable housing fund. In a county that contains a consolidated city, requires 60% of the amounts recovered to be deposited in the county's housing trust fund. In any county, requires 40% of the amounts recovered to be transferred to the treasurer of state for deposit into the affordable housing and community development fund. Provides that beginning in 2012, interest earned by the public deposit insurance fund shall be distributed to the state affordable housing and community development fund. Provides after a retail merchant's state sales tax liability accrued during a calendar year reaches \$750,000, the retail merchant's collection allowance is reduced from .83% of the merchant's sales tax liability to .13% of the merchant's sales tax liability for each subsequent reporting period. For each reporting period after a merchant's sales tax liability reaches \$750,000, requires the department of state revenue to deposit in the affordable housing and community development fund an amount equal to the difference between: (1) the amount of the collection allowance to which the merchant would be entitled before the application of the reduced percentage; minus (2) the amount of the collection allowance to which the merchant is entitled after the application of the reduced percentage.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1351

A BILL FOR AN ACT to amend the Indiana Code concerning economic matters.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-1-14-15 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 15. (a) The fiscal body of a county may adopt an**
4 **ordinance to require each political subdivision in the county that**
5 **issues obligations after the effective date of the ordinance to**
6 **recover on each obligation issued by the political subdivision an**
7 **amount equal to five-tenths of one percent (.5%) of the amount of**
8 **the obligation issued.**
9 (b) An amount recovered under an ordinance adopted under
10 subsection (a) is considered a cost of issuance.
11 (c) In the case of a county that does not contain a consolidated
12 city, sixty percent (60%) of the amounts recovered under this
13 section in the county shall be distributed to the units in the county
14 that have established an affordable housing fund under
15 IC 5-20-5-15.5 for deposit in the appropriate fund. The amount to
16 be distributed to a unit is the amount available for distribution
17 multiplied by a fraction. The numerator of the fraction is the

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1 population of the unit. The denominator of the fraction is the
 2 population of all units in the county that have established a fund.
 3 The population to be used for a county that establishes a fund is the
 4 population of the county outside any city or town that has
 5 established a fund.

6 (d) In the case of a county that contains a consolidated city, sixty
 7 percent (60%) of the amounts recovered under this section in the
 8 county shall be deposited in the housing trust fund established
 9 under IC 36-7-15.5-35.5(e) for the purposes of the fund.

10 (e) In any county, forty percent (40%) of the amounts recovered
 11 under this section in the county shall be transferred to the
 12 treasurer of state for deposit in the state affordable housing and
 13 community development fund established under IC 5-20-4-7 for the
 14 purposes of the fund.

15 SECTION 2. IC 5-13-12-4 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The
 17 secretary-investment manager shall administer, manage, and direct the
 18 affairs and activities of the board under the policies and under the
 19 control and direction of the board. In carrying out these duties, the
 20 secretary-investment manager has the power to do the following:

21 (1) Approve all accounts for salaries and allowable expenses of
 22 the board, including, but not limited to:

23 (A) the employment of general or special attorneys,
 24 consultants, and employees and agents as may be necessary to
 25 assist the secretary-investment manager in carrying out the
 26 duties of that office and to assist the board in its consideration
 27 of applications for a guarantee of an industrial development
 28 obligation or credit enhancement obligation guarantee; and

29 (B) the setting of compensation of persons employed under
 30 ~~subdivision clause~~ (A).

31 (2) Approve all expenses incidental to the operation of the public
 32 deposit insurance fund.

33 (3) Perform other duties and functions that may be delegated to
 34 the secretary-investment manager by the board or that are
 35 necessary to carry out the duties of the secretary-investment
 36 manager under this chapter.

37 (b) The secretary-investment manager shall keep a record of the
 38 proceedings of the board, and shall maintain and be custodian of all
 39 books, documents, and papers filed with the board, and its official seal.
 40 The secretary-investment manager may make copies of all minutes and
 41 other records and documents of the board, and may give certificates
 42 under seal of the board to the effect that the copies are true copies. All

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persons dealing with the board may rely upon the certificates.

(c) Each year, beginning in 2001, ~~and ending in 2011~~, after the treasurer of state prepares the annual report required by IC 4-8.1-2-14, the secretary-investment manager shall determine:

(1) the amount of interest earned by the public deposit insurance fund during the state fiscal year ending on the preceding June 30, after deducting:

(A) all expenses and other costs of the board for depositories that were not paid from other sources during that state fiscal year; and

(B) all expenses and other costs associated with the Indiana education savings authority that were not paid from other sources during that state fiscal year; and

(2) the amount of interest earned during the state fiscal year ending on the preceding June 30 by the pension distribution fund established by subsection ~~(g)~~ (i).

(d) On or before November 1 of each year, beginning in 2001 and ending in 2011, the public employees' retirement fund shall provide a report to the secretary-investment manager concerning the individual and aggregate payments made by all units of local government (as defined in IC 5-10.3-11-3) during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

(e) On or before the last business day of November of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to each unit of local government (as defined in IC 5-10.3-11-3) in accordance with subsection ~~(h)~~ (j) according to the following formula:

STEP ONE: Add the amount determined under subsection (c)(1) to the amount determined under subsection (c)(2).

STEP TWO: Divide the STEP ONE sum by the aggregate amount of payments made by all units of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

STEP THREE: Multiply the STEP TWO quotient by the amount of payments made by each unit of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

(f) On or before the last business day of November of each year,

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beginning in 2012, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 in an amount equal to the amount determined under subsection (c)(1).

~~(f)~~ (g) Subject to subsection ~~(f)~~; (l), on or before the last business day of December of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall provide to the auditor of state:

(1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and

(2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection ~~(g)~~ (i) in an amount equal to the amount determined under subsection (c)(1).

(h) Subject to subsection (l), on or before the last business day of December of each year, beginning in 2012, the secretary-investment manager shall provide to the auditor of state a report setting forth the amounts to be distributed to the state affordable housing and community development fund, as determined under subsection (f).

~~(g)~~ (i) The pension distribution fund is established. The pension distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

~~(h)~~ (j) Subject to subsection ~~(f)~~; (l), on June 30 and October 1 of each year, beginning in 2002 and ending in 2012, the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

~~(i)~~ (k) Each unit of local government shall deposit distributions received under subsection ~~(h)~~ (j) in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

~~(j)~~ (l) Before providing a check to the auditor of state under subsection ~~(f)~~(2) (g)(2) in December of any year, **year ending before January 1, 2012, or reporting a distribution under subsection (h)**

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1 **in December of any year beginning after December 31, 2011, the**
 2 **secretary-investment manager shall determine:**

3 (1) the total amount of payments made from the public deposit
 4 insurance fund under IC 5-13-13-3 after June 30, ~~2001~~, **2001, in**
 5 **the case of a determination made under this subsection for a**
 6 **year ending before January 1, 2012, or after June 30, 2012, in**
 7 **the case of a determination made under this subsection for a**
 8 **year beginning after December 31, 2011;**

9 (2) the total amount of payments received by the board for
 10 depositories and deposited in the public deposit insurance fund
 11 under IC 5-13-13-3 after June 30, ~~2001~~, **2001, in the case of a**
 12 **determination made under this subsection for a year ending**
 13 **before January 1, 2012, or after June 30, 2012, in the case of**
 14 **a determination made under this subsection for a year**
 15 **beginning after December 31, 2011; and**

16 (3) the total amount of interest earned by the public deposit
 17 insurance fund after the first of the payments described in
 18 subdivision (1).

19 If the total amount of payments determined under subdivision (1) less
 20 the total amount of payments determined under subdivision (2)
 21 (referred to in this subsection as the "net draw on the fund") exceeds
 22 ten million dollars (\$10,000,000) and also exceeds the total amount of
 23 interest determined under subdivision (3), the secretary-investment
 24 manager may not provide a check to the auditor of state under
 25 subsection ~~(f)(2)~~ **(g)(2) or make a distribution under subsection (h),**
 26 **as the case may be,** and a distribution may not be made from the
 27 pension distribution fund under subsection ~~(h)~~ **(j)** in the following
 28 calendar year until the total amount of interest earned by the public
 29 deposit insurance fund equals the net draw on the fund. A check may
 30 not be provided under subsection ~~(f)(2)~~ **(g)(2)** and a distribution may
 31 not be made under subsection ~~(f)~~ **(g) or (h)** in any subsequent calendar
 32 year if a study conducted by the board under section 7(b) of this
 33 chapter demonstrates that payment of the distribution would reduce the
 34 balance of the public deposit insurance fund to a level insufficient to
 35 ensure the safekeeping and prompt payment of public funds to the
 36 extent they are not covered by insurance of any federal deposit
 37 insurance agency.

38 SECTION 3. IC 5-20-4-7, AS AMENDED BY P.L.1-2006,
 39 SECTION 114, AND AS AMENDED BY P.L.181-2006, SECTION
 40 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) There is established the
 42 *affordable housing ~~trust~~ and community development* fund. The fund

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shall be administered by the *Indiana housing and community development* authority under the direction of the *Indiana housing and community development* authority's board.

(b) The fund consists of the following resources:

- (1) Appropriations from the general assembly.
- (2) Gifts, ~~and~~ grants, ~~to the fund~~, and donations of any tangible or intangible property from public or private sources.
- (3) Investment income earned on the fund's assets.
- (4) Repayments of loans from the fund.
- (5) Funds borrowed from the board for depositories insurance fund (IC 5-13-12-7).
- (6) Money deposited in the fund under IC 36-2-7-10.**
- (7) Money deposited in the fund under IC 5-1-14-15.**
- (8) Money deposited in the fund under IC 5-13-12-4.**
- (9) Money deposited in the fund under IC 6-2.5-10-1(a).**

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the *Indiana housing and community development* authority to pay expenses incurred in the administration of the fund.

SECTION 4. IC 5-20-5-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15.5. (a) The governing body of an eligible entity that receives a grant under this chapter shall, by resolution, establish an affordable housing fund to be administered, subject to the terms of the resolution, by a department, a division, or an agency designated by the governing body.

(b) The affordable housing fund consists of:

- (1) payments in lieu of taxes deposited in the fund under IC 36-1-8-14.2;
- (2) gifts and grants to the fund;
- (3) investment income earned on the fund's assets; ~~and~~
- (4) money deposited in the fund under IC 36-2-7-10;**
- (5) money transferred to the fund under IC 32-24-1-34(g);**
- (6) money deposited in the fund under IC 5-1-14-15(c); and**
- ~~(4)~~ **(7) other funds from sources approved by the commission.**

(c) The governing body shall, by resolution, establish uses for the affordable housing fund. However, the uses must be limited to:

- (1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the

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county's median income for individuals and families, respectively, to enable those individuals and families to purchase or lease residential units within the county;

(2) paying expenses of administering the fund;

(3) making grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; and

(4) providing technical assistance to nonprofit developers of affordable housing.

(d) The county treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 5. IC 6-2.5-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the state gross retail tax and the state use tax, every retail merchant, except a retail merchant referred to in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals ~~eighty-three hundredths percent (0.83%)~~ **a percentage** of the retail merchant's state gross retail and use tax liability accrued during a reporting period, **specified as follows:**

(1) Eighty-three hundredths percent (0.83%), until the retail merchant's state gross retail and use tax liability accrued during the current calendar year reaches seven hundred fifty thousand dollars (\$750,000).

(2) Thirteen-hundredths percent (0.13%), after the retail merchant's state gross retail and use tax liability accrued during the current calendar year exceeds seven hundred fifty thousand dollars (\$750,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section.

SECTION 6. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects. **For each periodic remittance collected from a retail merchant under IC 6-2.5-6-1, the department shall calculate an amount equal to the difference between:**

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(1) an amount equal to:

(A) the retail merchant's state gross retail and use tax liability for the reporting period, before applying the allowance permitted under IC 6-2.5-6-10; multiplied by

(B) eighty-three hundredths percent (0.83%); minus

(2) an amount equal to:

(A) the retail merchant's state gross retail and use tax liability for the reporting period, before applying the allowance permitted under IC 6-2.5-6-10; multiplied by

(B) the percentage allowance that the retail merchant is entitled to under IC 6-2.5-6-10 for the particular reporting period.

From the amount remitted by the retail merchant under IC 6-2.5-6-1 for the reporting period, the department shall, before making the deposits required under subsection (b), deposit an amount equal to the amount determined under this subsection in the affordable housing and community development fund established by IC 5-20-4-7.

(b) After making any deposit in the affordable housing and community development fund required under subsection (a), the department shall deposit ~~these~~ the state gross retail and use taxes collected in the following manner:

(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) Forty-nine and one hundred ninety-two thousandths percent (49.192%) of the collections shall be paid into the state general fund.

(3) Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(4) Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(5) Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 7. IC 32-34-1-34, AS AMENDED BY P.L.246-2005, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 34. (a) Except as provided in section 42(d) of this chapter, the treasurer of state shall, on order of the attorney general, pay the necessary costs of the following:

(1) Selling abandoned property.

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(2) Mailing notices.

(3) Making publications required by this chapter.

(4) Paying other operating expenses and administrative expenses, including:

(A) salaries and wages reasonably incurred by the attorney general in the administration and enforcement of this chapter; and

(B) costs incurred in examining records of the holders of property and in collecting the property from the holders.

(b) If the balance of the principal of the abandoned property fund established by section 33 of this chapter exceeds five hundred thousand dollars (\$500,000), the treasurer of state may, and at least once each fiscal year shall, transfer to the state general fund the balance of the principal of the abandoned property fund that exceeds five hundred thousand dollars (\$500,000).

(c) If a claim is allowed or a refund is ordered under this chapter that is more than five hundred thousand dollars (\$500,000), the treasurer of state shall transfer from the state general fund sufficient money to make prompt payment of the claim. There is annually appropriated to the treasurer of state from the state general fund the amount of money sufficient to implement this subsection.

(d) Before making a deposit into the abandoned property fund, the attorney general shall record the following:

(1) The name and last known address of each person appearing from the holder's reports to be entitled to the abandoned property.

(2) The name and last known address of each insured person or annuitant.

(3) The number, the name of the corporation, and the amount due concerning any policy or contract listed in the report of a life insurance company.

(e) Except as provided in ~~subsection~~ **subsections (f) and (g)**, earnings on the property custody fund and the abandoned property fund shall be credited to each fund.

(f) **This subsection applies before July 1, 2007.** On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the state general fund.

(g) **This subsection applies after June 30, 2007. On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the affordable housing and community development fund established by**

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IC 5-20-4-7.

SECTION 8. IC 36-2-7-10, AS AMENDED BY P.L.169-2006, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The county recorder shall tax and collect the fees prescribed by this section for recording, filing, copying, and other services the recorder renders, and shall pay them into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other recording fees required by law to be charged for services rendered by the county recorder.

(b) The county recorder shall charge the following:

(1) Six dollars (\$6) for the first page and two dollars (\$2) for each additional page of any document the recorder records if the pages are not larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(2) Fifteen dollars (\$15) for the first page and five dollars (\$5) for each additional page of any document the recorder records, if the pages are larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(3) For attesting to the release, partial release, or assignment of any mortgage, judgment, lien, or oil and gas lease contained on a multiple transaction document, the fee for each transaction after the first is the amount provided in subdivision (1) plus the amount provided in subdivision (4) and one dollar (\$1) for marginal mortgage assignments or marginal mortgage releases.

(4) One dollar (\$1) for each cross-reference of a recorded document.

(5) One dollar (\$1) per page not larger than eight and one-half (8 1/2) inches by fourteen (14) inches for furnishing copies of records and two dollars (\$2) per page that is larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(6) Five dollars (\$5) for acknowledging or certifying to a document.

(7) Five dollars (\$5) for each deed the recorder records, in addition to other fees for deeds, for the county surveyor's corner perpetuation fund for use as provided in IC 32-19-4-3 or IC 36-2-12-11(e).

(8) A fee in an amount authorized under IC 5-14-3-8 for transmitting a copy of a document by facsimile machine.

(9) A fee in an amount authorized by an ordinance adopted by the county legislative body for duplicating a computer tape, a computer disk, an optical disk, microfilm, or similar media. This fee may not cover making a handwritten copy or a photocopy or

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using xerography or a duplicating machine.

(10) A supplemental fee of three dollars (\$3) for recording a document that is paid at the time of recording. The fee under this subdivision is in addition to other fees provided by law for recording a document.

(11) Three dollars (\$3) for each mortgage on real estate recorded, in addition to other fees required by this section, distributed as follows:

(A) Fifty cents (\$0.50) is to be deposited in the recorder's record perpetuation fund.

(B) Two dollars and fifty cents (\$2.50) is to be distributed to the auditor of state on or before June 20 and December 20 of each year as provided in IC 24-9-9-3.

(12) This subdivision applies in a county only if at least one (1) unit in the county has established an affordable housing fund under IC 5-20-5-15.5 and the county fiscal body adopts an ordinance authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may authorize the county recorder to charge a fee of:

(A) five dollars (\$5) for the first page; and

(B) one dollar (\$1) for each additional page; of each document the recorder records.

(13) This subdivision applies in a county containing a consolidated city that has established a housing trust fund under IC 36-7-15.1-35.5(e). The county fiscal body may adopt an ordinance authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may authorize the county recorder to charge a fee of:

(A) five dollars (\$5) for the first page; and

(B) one dollar (\$1) for each additional page; of each document the recorder records.

(c) The county recorder shall charge a two dollar (\$2) county identification security protection fee for recording or filing a document. This fee shall be deposited under IC 36-2-7.5-6.

(d) The county treasurer shall establish a recorder's records perpetuation fund. All revenue received under subsection (b)(5), (b)(8), (b)(9), and (b)(10), and fifty cents (\$0.50) from revenue received under subsection (b)(11), shall be deposited in this fund. The county recorder may use any money in this fund without appropriation for the preservation of records and the improvement of record keeping systems and equipment.

(e) As used in this section, "record" or "recording" includes the

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functions of recording, filing, and filing for record.

(f) The county recorder shall post the fees set forth in subsection (b) in a prominent place within the county recorder's office where the fee schedule will be readily accessible to the public.

(g) The county recorder may not tax or collect any fee for:

(1) recording an official bond of a public officer, a deputy, an appointee, or an employee; or

(2) performing any service under any of the following:

(A) IC 6-1.1-22-2(c).

(B) IC 8-23-7.

(C) IC 8-23-23.

(D) IC 10-17-2-3.

(E) IC 10-17-3-2.

(F) IC 12-14-13.

(G) IC 12-14-16.

(h) The state and its agencies and instrumentalities are required to pay the recording fees and charges that this section prescribes.

(i) This subsection applies to a county other than a county containing a consolidated city. The county treasurer shall distribute money collected by the county recorder under subsection (b)(12) as follows:

(1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(12) shall be distributed to the units in the county that have established an affordable housing fund under IC 5-20-5-15.5 for deposit in the fund. The amount to be distributed to a unit is the amount available for distribution multiplied by a fraction. The numerator of the fraction is the population of the unit. The denominator of the fraction is the population of all units in the county that have established a fund. The population to be used for a county that establishes a fund is the population of the county outside any city or town that has established a fund.

(2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(12) shall be distributed to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 for the purposes of the fund.

The money shall be distributed under this subsection before the sixteenth day of the month following the month in which the money is collected from the county recorder.

(j) This subsection applies to a county described in subsection (b)(13). The county treasurer shall distribute money collected by

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the county recorder under subsection (b)(13) as follows:

(1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(13) shall be deposited in the housing trust fund established under IC 36-7-15.5-35.5(e) for the purposes of the fund.

(2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(13) shall be distributed to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 for the purposes of the fund.

The money shall be distributed under this subsection before the sixteenth day of the month following the month in which the money is collected from the county recorder.

SECTION 9. IC 36-7-15.1-35.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35.5. (a) The general assembly finds the following:

(1) Federal law permits the sale of a multiple family housing project that is or has been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development without requiring the continuation of that project based assistance.

(2) Such a sale displaces the former residents of a multiple family housing project described in subdivision (1) and increases the shortage of safe and affordable housing for persons of low and moderate income within the county.

(3) The displacement of families and individuals from affordable housing requires increased expenditures of public funds for crime prevention, public health and safety, fire and accident prevention, and other public services and facilities.

(4) The establishment of a supplemental housing program under this section will do the following:

(A) Benefit the health, safety, morals, and welfare of the county and the state.

(B) Serve to protect and increase property values in the county and the state.

(C) Benefit persons of low and moderate income by making affordable housing available to them.

(5) The establishment of a supplemental housing program under this section and sections 32 through 35 of this chapter is:

(A) necessary in the public interest; and

(B) a public use and purpose for which public money may be spent and private property may be acquired.

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(b) In addition to its other powers with respect to a housing program under sections 32 through 35 of this chapter, the commission may establish a supplemental housing program. Except as provided by this section, the commission has the same powers and duties with respect to the supplemental housing program that the commission has under sections 32 through 35 of this chapter with respect to the housing program.

(c) One (1) allocation area may be established for the supplemental housing program. The commission is not required to make the findings required under section 34(5) through 34(8) of this chapter with respect to the allocation area. However, the commission must find that the property contained within the boundaries of the allocation area consists solely of one (1) or more multiple family housing projects that are or have been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development or have been owned at one time by a public housing agency. The allocation area need not be contiguous. The definition of "base assessed value" set forth in section 35(a) of this chapter applies to the special fund established under section 26(b) of this chapter for the allocation area.

(d) The special fund established under section 26(b) of this chapter for the allocation area established under this section may be used only for the following purposes:

(1) Subject to subdivision (2), on January 1 and July 1 of each year the balance of the special fund shall be transferred to the housing trust fund established under subsection (e).

(2) The commission may provide each taxpayer in the allocation area a credit for property tax replacement in the manner provided by section 35(b)(7) of this chapter. Transfers made under subdivision (1) shall be reduced by the amount necessary to provide the credit.

(e) The commission shall, by resolution, establish a housing trust fund to be administered, subject to the terms of the resolution, by:

(1) the housing division of the consolidated city; or

(2) the department, division, or agency that has been designated to perform the public housing function by an ordinance adopted under IC 36-7-18-1.

(f) The housing trust fund consists of:

(1) amounts transferred to the fund under subsection (d);

(2) payments in lieu of taxes deposited in the fund under IC 36-3-2-11;

(3) gifts and grants to the fund;

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- 1 (4) investment income earned on the fund's assets; ~~and~~
 2 **(5) money deposited in the fund under IC 36-2-7-10(j);**
 3 **(6) money deposited in the fund under IC 5-1-14-15(d); and**
 4 ~~(5) (7)~~ other funds from sources approved by the commission.

5 (g) The commission shall, by resolution, establish uses for the
 6 housing trust fund. However, the uses must be limited to:

7 (1) providing financial assistance to those individuals and
 8 families whose income is at or below eighty percent (80%) of the
 9 county's median income for individuals and families, respectively,
 10 to enable those individuals and families to purchase or lease
 11 residential units within the county;

12 (2) paying expenses of administering the fund;

13 (3) making grants, loans, and loan guarantees for the
 14 development, rehabilitation, or financing of affordable housing
 15 for individuals and families whose income is at or below eighty
 16 percent (80%) of the county's median income for individuals and
 17 families, respectively, including the elderly, persons with
 18 disabilities, and homeless individuals and families; and

19 (4) providing technical assistance to nonprofit developers of
 20 affordable housing.

21 (h) At least fifty percent (50%) of the dollars allocated for
 22 production, rehabilitation, or purchase of housing must be used for
 23 units to be occupied by individuals and families whose income is at or
 24 below fifty percent (50%) of the county's area median income for
 25 individuals and families respectively.

26 (i) The low income housing trust fund advisory committee is
 27 established. The low-income housing trust fund advisory committee
 28 consists of eleven (11) members. The membership of the low income
 29 housing trust fund advisory committee is comprised of:

30 (1) one (1) member appointed by the mayor, to represent the
 31 interests of low income families;

32 (2) one (1) member appointed by the mayor, to represent the
 33 interests of owners of subsidized, multifamily housing
 34 communities;

35 (3) one (1) member appointed by the mayor, to represent the
 36 interests of banks and other financial institutions;

37 (4) one (1) member appointed by the mayor, of the department of
 38 metropolitan development;

39 (5) three (3) members representing the community at large
 40 appointed by the commission, from nominations submitted to the
 41 commission as a result of a general call for nominations from
 42 neighborhood associations, community based organizations, and

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1 other social services agencies;
 2 (6) one (1) member appointed by and representing the Coalition
 3 for Homeless Intervention and Prevention of Greater Indianapolis;
 4 (7) one (1) member appointed by and representing the Local
 5 Initiatives Support Corporation;
 6 (8) one (1) member appointed by and representing the
 7 Indianapolis Coalition for Neighborhood Development; and
 8 (9) one (1) member appointed by and representing the
 9 Indianapolis Neighborhood Housing Partnership.

10 Members of the low income housing trust fund advisory committee
 11 serve for a term of four (4) years, and are eligible for reappointment. If
 12 a vacancy exists on the committee, the appointing authority who
 13 appointed the former member whose position has become vacant shall
 14 appoint an individual to fill the vacancy. A committee member may be
 15 removed at any time by the appointing authority who appointed the
 16 committee member.

17 (j) The low income housing trust fund advisory committee shall
 18 make recommendations to the commission regarding:

19 (1) the development of policies and procedures for the uses of the
 20 low income housing trust fund; and

21 (2) long term sources of capital for the low income housing trust
 22 fund, including:

23 (A) revenue from:

24 (i) development ordinances;

25 (ii) fees; or

26 (iii) taxes;

27 (B) financial market based income;

28 (C) revenue derived from private sources; and

29 (D) revenue generated from grants, gifts, donations or income
 30 in any other form, from a:

31 (i) government program;

32 (ii) foundation; or

33 (iii) corporation.

34 (k) The county treasurer shall invest the money in the fund not
 35 currently needed to meet the obligations of the fund in the same
 36 manner as other public funds may be invested.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1351, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 17, delete "section 17 of this" and insert "**IC 36-2-7-10.**".

Page 2, delete line 1.

Page 2, delete lines 10 through 19, begin a new paragraph and insert:

"SECTION 2. IC 5-20-5-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15.5. (a) The governing body of an eligible entity that receives a grant under this chapter shall, by resolution, establish an affordable housing fund to be administered, subject to the terms of the resolution, by a department, a division, or an agency designated by the governing body.

(b) The affordable housing fund consists of:

- (1) payments in lieu of taxes deposited in the fund under IC 36-1-8-14.2;
- (2) gifts and grants to the fund;
- (3) investment income earned on the fund's assets; ~~and~~
- (4) money deposited in the fund under IC 36-2-7-10;**
- (5) money transferred to the fund under IC 32-24-1-34(g); and**
- ~~(4)~~ **(6) other funds from sources approved by the commission.**

(c) The governing body shall, by resolution, establish uses for the affordable housing fund. However, the uses must be limited to:

- (1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, to enable those individuals and families to purchase or lease residential units within the county;
- (2) paying expenses of administering the fund;
- (3) making grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; and
- (4) providing technical assistance to nonprofit developers of affordable housing.

(d) The county treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same

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manner as other public funds may be invested.

SECTION 3. IC 32-34-1-34, AS AMENDED BY P.L.246-2005, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 34. (a) Except as provided in section 42(d) of this chapter, the treasurer of state shall, on order of the attorney general, pay the necessary costs of the following:

- (1) Selling abandoned property.
- (2) Mailing notices.
- (3) Making publications required by this chapter.
- (4) Paying other operating expenses and administrative expenses, including:
 - (A) salaries and wages reasonably incurred by the attorney general in the administration and enforcement of this chapter; and
 - (B) costs incurred in examining records of the holders of property and in collecting the property from the holders.

(b) If the balance of the principal of the abandoned property fund established by section 33 of this chapter exceeds five hundred thousand dollars (\$500,000), the treasurer of state may, and at least once each fiscal year shall, transfer to the state general fund the balance of the principal of the abandoned property fund that exceeds five hundred thousand dollars (\$500,000).

(c) If a claim is allowed or a refund is ordered under this chapter that is more than five hundred thousand dollars (\$500,000), the treasurer of state shall transfer from the state general fund sufficient money to make prompt payment of the claim. There is annually appropriated to the treasurer of state from the state general fund the amount of money sufficient to implement this subsection.

(d) Before making a deposit into the abandoned property fund, the attorney general shall record the following:

- (1) The name and last known address of each person appearing from the holder's reports to be entitled to the abandoned property.
- (2) The name and last known address of each insured person or annuitant.
- (3) The number, the name of the corporation, and the amount due concerning any policy or contract listed in the report of a life insurance company.

(e) Except as provided in ~~subsection~~ **subsections (f) and (g)**, earnings on the property custody fund and the abandoned property fund shall be credited to each fund.

(f) **This subsection applies before July 1, 2007.** On July 1 of each year, the interest balance in the property custody fund established by

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section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the state general fund.

(g) This subsection applies after June 30, 2007. On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the affordable housing and community development fund established by IC 5-20-4-7."

Page 3, delete lines 32 through 37, begin a new line block indented and insert:

"(12) This subdivision applies in a county only if at least one (1) unit in the county has established an affordable housing fund under IC 5-20-5-15.5 and the county fiscal body adopts an ordinance authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may authorize the county recorder to charge a fee of:

(A) five dollars (\$5) for the first page; and

(B) one dollar (\$1) for each additional page; of each document the recorder records.

(13) This subdivision applies in a county containing a consolidated city that has established a housing trust fund under IC 36-7-15.1-35.5(e). The county fiscal body may adopt an ordinance authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may authorize the county recorder to charge a fee of:

(A) five dollars (\$5) for the first page; and

(B) one dollar (\$1) for each additional page; of each document the recorder records."

Page 4, after line 23, begin an new paragraph and insert:

"(i) This subsection applies to a county other than a county containing a consolidated city. The county treasurer shall distribute money collected by the county recorder under subsection (b)(12) as follows:

(1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(12) shall be distributed to the units in the county that have established an affordable housing fund under IC 5-20-5-15.5 for deposit in the fund. The amount to be distributed to a unit is the amount available for distribution multiplied by a fraction. The numerator of the fraction is the population of the unit. The denominator of the fraction is the population of all units in the county that have established a fund. The population to be used for a county

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that establishes a fund is the population of the county outside any city or town that has established a fund.

(2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(12) shall be distributed to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 for the purposes of the fund.

The money shall be distributed under this subsection before the sixteenth day of the month following the month in which the money is collected from the county recorder.

(j) This subsection applies to a county described in subsection (b)(13). The county treasurer shall distribute money collected by the county recorder under subsection (b)(13) as follows:

(1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(13) shall be deposited in the housing trust fund established under IC 36-7-15.5-35.5(e) for the purposes of the fund.

(2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(13) shall be distributed to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 for the purposes of the fund.

The money shall be distributed under this subsection before the sixteenth day of the month following the month in which the money is collected from the county recorder.

SECTION 5. IC 36-7-15.1-35.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35.5. (a) The general assembly finds the following:

(1) Federal law permits the sale of a multiple family housing project that is or has been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development without requiring the continuation of that project based assistance.

(2) Such a sale displaces the former residents of a multiple family housing project described in subdivision (1) and increases the shortage of safe and affordable housing for persons of low and moderate income within the county.

(3) The displacement of families and individuals from affordable housing requires increased expenditures of public funds for crime prevention, public health and safety, fire and accident prevention, and other public services and facilities.

(4) The establishment of a supplemental housing program under

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this section will do the following:

- (A) Benefit the health, safety, morals, and welfare of the county and the state.
- (B) Serve to protect and increase property values in the county and the state.
- (C) Benefit persons of low and moderate income by making affordable housing available to them.
- (5) The establishment of a supplemental housing program under this section and sections 32 through 35 of this chapter is:
 - (A) necessary in the public interest; and
 - (B) a public use and purpose for which public money may be spent and private property may be acquired.

(b) In addition to its other powers with respect to a housing program under sections 32 through 35 of this chapter, the commission may establish a supplemental housing program. Except as provided by this section, the commission has the same powers and duties with respect to the supplemental housing program that the commission has under sections 32 through 35 of this chapter with respect to the housing program.

(c) One (1) allocation area may be established for the supplemental housing program. The commission is not required to make the findings required under section 34(5) through 34(8) of this chapter with respect to the allocation area. However, the commission must find that the property contained within the boundaries of the allocation area consists solely of one (1) or more multiple family housing projects that are or have been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development or have been owned at one time by a public housing agency. The allocation area need not be contiguous. The definition of "base assessed value" set forth in section 35(a) of this chapter applies to the special fund established under section 26(b) of this chapter for the allocation area.

(d) The special fund established under section 26(b) of this chapter for the allocation area established under this section may be used only for the following purposes:

- (1) Subject to subdivision (2), on January 1 and July 1 of each year the balance of the special fund shall be transferred to the housing trust fund established under subsection (e).
- (2) The commission may provide each taxpayer in the allocation area a credit for property tax replacement in the manner provided by section 35(b)(7) of this chapter. Transfers made under subdivision (1) shall be reduced by the amount necessary to

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provide the credit.

(e) The commission shall, by resolution, establish a housing trust fund to be administered, subject to the terms of the resolution, by:

- (1) the housing division of the consolidated city; or
- (2) the department, division, or agency that has been designated to perform the public housing function by an ordinance adopted under IC 36-7-18-1.

(f) The housing trust fund consists of:

- (1) amounts transferred to the fund under subsection (d);
- (2) payments in lieu of taxes deposited in the fund under IC 36-3-2-11;
- (3) gifts and grants to the fund;
- (4) investment income earned on the fund's assets; ~~and~~
- (5) money deposited in the fund under IC 36-2-7-10(j); and**
- ~~(5) (6)~~ other funds from sources approved by the commission.

(g) The commission shall, by resolution, establish uses for the housing trust fund. However, the uses must be limited to:

- (1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, to enable those individuals and families to purchase or lease residential units within the county;
- (2) paying expenses of administering the fund;
- (3) making grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; and
- (4) providing technical assistance to nonprofit developers of affordable housing.

(h) At least fifty percent (50%) of the dollars allocated for production, rehabilitation, or purchase of housing must be used for units to be occupied by individuals and families whose income is at or below fifty percent (50%) of the county's area median income for individuals and families respectively.

(i) The low income housing trust fund advisory committee is established. The low-income housing trust fund advisory committee consists of eleven (11) members. The membership of the low income housing trust fund advisory committee is comprised of:

- (1) one (1) member appointed by the mayor, to represent the interests of low income families;

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- (2) one (1) member appointed by the mayor, to represent the interests of owners of subsidized, multifamily housing communities;
- (3) one (1) member appointed by the mayor, to represent the interests of banks and other financial institutions;
- (4) one (1) member appointed by the mayor, of the department of metropolitan development;
- (5) three (3) members representing the community at large appointed by the commission, from nominations submitted to the commission as a result of a general call for nominations from neighborhood associations, community based organizations, and other social services agencies;
- (6) one (1) member appointed by and representing the Coalition for Homeless Intervention and Prevention of Greater Indianapolis;
- (7) one (1) member appointed by and representing the Local Initiatives Support Corporation;
- (8) one (1) member appointed by and representing the Indianapolis Coalition for Neighborhood Development; and
- (9) one (1) member appointed by and representing the Indianapolis Neighborhood Housing Partnership.

Members of the low income housing trust fund advisory committee serve for a term of four (4) years, and are eligible for reappointment. If a vacancy exists on the committee, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy. A committee member may be removed at any time by the appointing authority who appointed the committee member.

(j) The low income housing trust fund advisory committee shall make recommendations to the commission regarding:

- (1) the development of policies and procedures for the uses of the low income housing trust fund; and
- (2) long term sources of capital for the low income housing trust fund, including:
 - (A) revenue from:
 - (i) development ordinances;
 - (ii) fees; or
 - (iii) taxes;
 - (B) financial market based income;
 - (C) revenue derived from private sources; and
 - (D) revenue generated from grants, gifts, donations or income in any other form, from a:
 - (i) government program;

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- (ii) foundation; or
- (iii) corporation.

(k) The county treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested."

Renumber all sections consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1351 as introduced.)

BARDON, Chair

Committee Vote: yeas 8, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1351, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning economic matters.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-1-14-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 15. (a) The fiscal body of a county may adopt an ordinance to require each political subdivision in the county that issues obligations after the effective date of the ordinance to recover on each obligation issued by the political subdivision an amount equal to five-tenths of one percent (.5%) of the amount of the obligation issued.**

(b) An amount recovered under an ordinance adopted under subsection (a) is considered a cost of issuance.

(c) Sixty percent (60%) of the amounts recovered under this section in a county shall be distributed to the units in the county that have established an affordable housing fund under IC 5-20-5-15.5 for deposit in the appropriate fund. The amount to be distributed to a unit is the amount available for distribution multiplied by a fraction. The numerator of the fraction is the population of the unit. The denominator of the fraction is the

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population of all units in the county that have established a fund. The population to be used for a county that establishes a fund is the population of the county outside any city or town that has established a fund. The population to be used for a consolidated city is the population of the county outside any excluded city that has established a fund.

(d) Forty percent (40%) of the amounts recovered under this section in a county shall be transferred to the treasurer of state for deposit in the state affordable housing and community development fund established under IC 5-20-4-7 for the purposes of the fund.

SECTION 2. IC 5-13-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The secretary-investment manager shall administer, manage, and direct the affairs and activities of the board under the policies and under the control and direction of the board. In carrying out these duties, the secretary-investment manager has the power to do the following:

(1) Approve all accounts for salaries and allowable expenses of the board, including, but not limited to:

(A) the employment of general or special attorneys, consultants, and employees and agents as may be necessary to assist the secretary-investment manager in carrying out the duties of that office and to assist the board in its consideration of applications for a guarantee of an industrial development obligation or credit enhancement obligation guarantee; and

(B) the setting of compensation of persons employed under ~~subdivision clause~~ (A).

(2) Approve all expenses incidental to the operation of the public deposit insurance fund.

(3) Perform other duties and functions that may be delegated to the secretary-investment manager by the board or that are necessary to carry out the duties of the secretary-investment manager under this chapter.

(b) The secretary-investment manager shall keep a record of the proceedings of the board, and shall maintain and be custodian of all books, documents, and papers filed with the board, and its official seal. The secretary-investment manager may make copies of all minutes and other records and documents of the board, and may give certificates under seal of the board to the effect that the copies are true copies. All persons dealing with the board may rely upon the certificates.

(c) Each year, beginning in 2001, ~~and ending in 2011~~, after the treasurer of state prepares the annual report required by IC 4-8.1-2-14,

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the secretary-investment manager shall determine:

(1) the amount of interest earned by the public deposit insurance fund during the state fiscal year ending on the preceding June 30, after deducting:

(A) all expenses and other costs of the board for depositories that were not paid from other sources during that state fiscal year; and

(B) all expenses and other costs associated with the Indiana education savings authority that were not paid from other sources during that state fiscal year; and

(2) the amount of interest earned during the state fiscal year ending on the preceding June 30 by the pension distribution fund established by subsection (g).

(d) On or before November 1 of each year, beginning in 2001 and ending in 2011, the public employees' retirement fund shall provide a report to the secretary-investment manager concerning the individual and aggregate payments made by all units of local government (as defined in IC 5-10.3-11-3) during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

(e) On or before the last business day of November of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to each unit of local government (as defined in IC 5-10.3-11-3) in accordance with subsection (h) according to the following formula:

STEP ONE: Add the amount determined under subsection (c)(1) to the amount determined under subsection (c)(2).

STEP TWO: Divide the STEP ONE sum by the aggregate amount of payments made by all units of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

STEP THREE: Multiply the STEP TWO quotient by the amount of payments made by each unit of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

(f) On or before the last business day of November of each year, beginning in 2012, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to the treasurer of state for deposit in the state affordable

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housing and community development fund established under IC 5-20-4-7 in an amount equal to the amount determined under subsection (c)(1).

~~(f)~~ **(g)** Subject to subsection ~~(f)~~; **(l)**, on or before the last business day of December of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall provide to the auditor of state:

- (1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and
- (2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection ~~(g)~~ **(j)** in an amount equal to the amount determined under subsection (c)(1).

(h) Subject to subsection (l), on or before the last business day of December of each year, beginning in 2012, the secretary-investment manager shall provide to the auditor of state a report setting forth the amounts to be distributed to the state affordable housing and community development fund, as determined under subsection (f).

~~(g)~~ **(i)** The pension distribution fund is established. The pension distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

~~(h)~~ **(j)** Subject to subsection ~~(f)~~; **(l)**, on June 30 and October 1 of each year, beginning in 2002 and ending in 2012, the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

~~(i)~~ **(k)** Each unit of local government shall deposit distributions received under subsection ~~(h)~~ **(j)** in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

~~(j)~~ **(l)** Before providing a check to the auditor of state under subsection ~~(f)(2)~~ **(g)(2)** in December of any year, the secretary-investment manager shall determine:

- (1) the total amount of payments made from the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001;
- (2) the total amount of payments received by the board for

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depositories and deposited in the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001; and

(3) the total amount of interest earned by the public deposit insurance fund after the first of the payments described in subdivision (1).

If the total amount of payments determined under subdivision (1) less the total amount of payments determined under subdivision (2) (referred to in this subsection as the "net draw on the fund") exceeds ten million dollars (\$10,000,000) and also exceeds the total amount of interest determined under subdivision (3), the secretary-investment manager may not provide a check to the auditor of state under subsection ~~(f)(2)~~ **(g)(2)** and a distribution may not be made from the pension distribution fund under subsection ~~(h)~~ **(j)** in the following calendar year until the total amount of interest earned by the public deposit insurance fund equals the net draw on the fund. A check may not be provided under subsection ~~(f)(2)~~ **(g)(2)** and a distribution may not be made under subsection ~~(f)~~ **(g)** in any subsequent calendar year if a study conducted by the board under section 7(b) of this chapter demonstrates that payment of the distribution would reduce the balance of the public deposit insurance fund to a level insufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency."

Page 1, after line 17, begin a new line block indented and insert:

"(7) Money deposited in the fund under IC 5-1-14-15.

(8) Money deposited in the fund under IC 5-13-12-4."

Page 2, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 5. IC 6-2.5-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the state gross retail tax and the state use tax, every retail merchant, except a retail merchant referred to in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals ~~eighty-three hundredths percent (0.83%)~~ **a percentage** of the retail merchant's state gross retail and use tax liability accrued during a ~~reporting period: calendar year, specified as follows:~~

(1) Eighty-three hundredths percent (0.83%), if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year did not exceed seven

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hundred fifty thousand dollars (\$750,000).

(2) Thirteen-hundredths percent (0.13%), if the retail merchant's state gross retail and use tax liability accrued during the state fiscal ending on June 30 of the immediately preceding calendar year was greater than or equal to seven hundred fifty thousand dollars (\$750,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1351 as printed February 14, 2007.)

CRAWFORD, Chair

Committee Vote: yeas 19, nays 4.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1351 be amended to read as follows:

Page 1, line 11, delete "Sixty" and insert **"In the case of a county that does not contain a consolidated city, sixty"**.

Page 1, line 12, delete "a" and insert **"the"**.

Page 2, line 4, delete "The population to be used for a consolidated".

Page 2, delete lines 5 through 6, begin a new paragraph and insert:
"(d) In the case of a county that contains a consolidated city, sixty percent (60%) of the amounts recovered under this section in the county shall be deposited in the housing trust fund established under IC 36-7-15.5-35.5(e) for the purposes of the fund."

Page 2, line 7, delete "(d) Forty" and insert **"(e) In any county, forty"**.

Page 2, line 8, delete "a" and insert **"the"**.

Page 3, line 13, strike "(g)." and insert **"(i)."**

Page 3, line 25, strike "(h)" and insert **"(j)"**.

Page 4, line 10, delete "(j)" and insert **"(i)"**.

Page 4, line 38, strike "year," insert **"year ending before January 1, 2012, or reporting a distribution under subsection (h) in December of any year beginning after December 31, 2011,"**.

Page 4, line 41, strike "2001;" and insert **"2001, in the case of a determination made under this subsection for a year ending before January 1, 2012, or after June 30, 2012, in the case of a**

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determination made under this subsection for a year beginning after December 31, 2011;".

Page 5, line 2, strike "2001;" and insert **"2001, in the case of a determination made under this subsection for a year ending before January 1, 2012, or after June 30, 2012, in the case of a determination made under this subsection for a year beginning after December 31, 2011;"**.

Page 5, line 12, after "(g)(2)" insert **"or make a distribution under subsection (h), as the case may be,"**.

Page 5, line 17, after "(g)" insert **"or (h)"**.

Page 5, between lines 41 and 42, begin a new line block indented and insert:

"(9) Money deposited in the fund under IC 6-2.5-10-1(a)."

Page 6, line 20, delete "and".

Page 6, between lines 20 and 21, begin a new line block indented and insert:

"(6) money deposited in the fund under IC 5-1-14-15(c); and".

Page 6, line 21, delete "(6)" and insert **"(7)"**.

Page 7, line 9, reset in roman "reporting"

Page 7, line 9, delete "period. calendar year, specified as" and insert **"period, specified as follows:**

(1) Eighty-three hundredths percent (0.83%), until the retail merchant's state gross retail and use tax liability accrued during the current calendar year reaches seven hundred fifty thousand dollars (\$750,000).

(2) Thirteen-hundredths percent (0.13%), after the retail merchant's state gross retail and use tax liability accrued during the current calendar year exceeds seven hundred fifty thousand dollars (\$750,000)."

Page 7, delete lines 10 through 20.

Page 7, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 6. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects. For each periodic remittance collected from a retail merchant under IC 6-2.5-6-1, the department shall calculate an amount equal to the difference between:

(1) an amount equal to:

(A) the retail merchant's state gross retail and use tax liability for the reporting period, before applying the allowance permitted under IC 6-2.5-6-10; multiplied by

(B) eighty-three hundredths percent (0.83%); minus

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(2) an amount equal to:

- (A) the retail merchant's state gross retail and use tax liability for the reporting period, before applying the allowance permitted under IC 6-2.5-6-10; multiplied by**
- (B) the percentage allowance that the retail merchant is entitled to under IC 6-2.5-6-10 for the particular reporting period.**

From the amount remitted by the retail merchant under IC 6-2.5-6-1 for the reporting period, the department shall, before making the deposits required under subsection (b), deposit an amount equal to the amount determined under this subsection in the affordable housing and community development fund established by IC 5-20-4-7.

(b) After making any deposit in the affordable housing and community development fund required under subsection (a), the department shall deposit ~~those~~ the state gross retail and use taxes collected in the following manner:

- (1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.**
- (2) Forty-nine and one hundred ninety-two thousandths percent+t (49.192%) of the collections shall be paid into the state general fund.**
- (3) Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.**
- (4) Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.**
- (5) Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5."**

Page 13, line 30, delete "and".

Page 13, between lines 30 and 31, begin a new line block indented and insert:

"(6) money deposited in the fund under IC 5-1-14-15(d); and".

Page 13, line 31, delete "(6)" and insert "(7)".

Renumber all SECTIONS consecutively.

(Reference is to HB 1351 as printed February 20, 2007.)

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